

AMENDED IN ASSEMBLY JANUARY 4, 2006  
AMENDED IN ASSEMBLY SEPTEMBER 8, 2005  
CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

**No. 912**

**Introduced by Assembly Member Ridley-Thomas**

February 18, 2005

---

*An act relating to taxation to add and repeal Section 17053.59 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 912, as amended, Ridley-Thomas. ~~Hurricane Katrina tax relief.~~  
*Income taxes: credit: housing: disaster relief.*

*The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.*

*This bill would, for taxable years beginning on or after January 1, 2005, and before January 1, 2010, allow a credit in an amount equal to \$500 for providing housing for each qualified federal disaster displaced individual, as defined. This bill would provide that the aggregate amount of the credit for any taxable year may not exceed a specified amount. This bill would make a legislative finding and declaration relating to the public purpose served by the bill.*

*This bill would take effect immediately as a tax levy.*

~~Existing personal and corporate income tax laws provide various tax incentives for taxpayers that engage in specified activities.~~

~~This bill would declare the Legislature's intent to enact legislation that would provide tax credits and other relief to families and individuals that provide shelter to persons that were displaced as a result of Hurricane Katrina.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 17053.59 is added to the Revenue and  
2     Taxation Code, to read:  
3     17053.59. (a) (1) For each taxable year beginning on or  
4     after January 1, 2005, and before January 1, 2010, there shall be  
5     allowed as a credit against the "net tax," as defined in Section  
6     17039, an amount equal to five hundred dollars (\$500) for  
7     providing housing for each qualified federal disaster displaced  
8     individual for the taxable year.  
9     (2) The aggregate credit allowed for any taxable year under  
10    paragraph (1) shall not exceed two thousand dollars (\$2,000),  
11    reduced by the amount of the credit allowed under this section  
12    for all prior taxable years.  
13    (3) An individual shall not be taken into account under  
14    paragraph (1) if the individual was taken into account under this  
15    section by the taxpayer for any prior taxable year.  
16    (4) An individual shall not be taken into account under  
17    paragraph (1) for the taxable year unless the taxpayer  
18    identification number of the individual is included on the return  
19    of the taxpayer for the taxable year.  
20    (b) For purposes of this section:  
21    (1) "Qualified federal disaster" means an area considered a  
22    disaster area for purposes of Section 165 (i) of the Internal  
23    Revenue Code on or after August 28, 2005.  
24    (2) (A) "Qualified federal disaster displaced individual"  
25    means, with respect to any taxpayer for any taxable year, any  
26    individual who satisfies both of the following conditions:  
27    (i) Is either a Hurricane Katrina displaced individual, as  
28    defined by Section 302(c) of the Katrina Emergency Tax Relief  
29    Act of 2005 (Public Law 109-73), or an individual whose  
30    principal place of abode on or after August 28, 2005, is located  
31    in a qualified federal disaster area, and that principal place of  
32    abode was either damaged by the disaster or the individual was  
33    evacuated from that abode by reason of the disaster.

1     (ii) *Is provided housing free of charge by the taxpayer in the*  
2     *principal residence of the taxpayer for a period of 60 consecutive*  
3     *days wholly within the taxable year.*

4     (B) *“Qualified federal disaster displaced individual” does not*  
5     *include the spouse of the taxpayer or any dependent of the*  
6     *taxpayer.*

7     (c) *No credit shall be allowed under this section if the*  
8     *taxpayer receives from any source any rent or other amount in*  
9     *connection with the providing of the housing to a qualified*  
10    *federal disaster displaced individual.*

11    (d) *In the case where the credit allowed by this section*  
12    *exceeds the “net tax,” the excess may be carried over to reduce*  
13    *the “net tax” in the following year, and the succeeding four*  
14    *years if necessary, until the credit is exhausted.*

15    (e) *This section shall remain in effect only until January 1,*  
16    *2011, and as of that date is repealed.*

17    SEC. 2. *The Legislature finds and declares that the enactment*  
18    *of this act and the retroactive application provided by Section 1*  
19    *of this act are necessary for the public purpose of providing*  
20    *relief under California law relating to housing individuals*  
21    *displaced by any presidentially declared disaster that occurs on*  
22    *or after August 28, 2005, that is similar to that provided in the*  
23    *Katrina Emergency Tax Relief Act of 2005 (Public Law 109-73),*  
24    *relating to housing displaced individuals affected by Hurricane*  
25    *Katrina.*

26    SEC. 3. *This act provides for a tax levy within the meaning of*  
27    *Article IV of the Constitution and shall go into immediate effect.*

28    ~~SECTION 1. The Legislature hereby declares its intent to~~  
29    ~~enact legislation that would provide tax credits and other relief to~~  
30    ~~families and individuals that provide shelter to persons that were~~  
31    ~~displaced as a result of Hurricane Katrina.~~